



Los Angeles County AUDIT COMMITTEE

Louisa Ollague, Chair
1st District
Lori Glasgow, Vice-Chair
5th District
Clinton Tatum
2nd District
Genie Chough
3rd District
Carl Gallucci
4th District

MEETING MINUTES

August 17, 2006

Chairperson Louisa Ollague called the meeting to order at 1:51 p.m. in Conference Room 525 at the Kenneth Hahn Hall of Administration.

Committee Members Present

Louisa Ollague, First District
Genie Chough, Third District
Lori Glasgow, Fifth District

Committee Members Absent

Clinton Tatum, Second District
Carl Gallucci, Fourth District

Others in Attendance

Tyler McCauley, Auditor-Controller
Jim Schneiderman, Auditor-Controller
Don Chadwick, Auditor-Controller
Mike McWatters, Auditor-Controller
Candace Rhue, Auditor-Controller
Jon Fullinwider, Chief Information Office
Glenda Pinney, Commission on HIV
Patricia Johnson, Quality and Productivity Commission
Jeanne Kennedy, Quality and Productivity Commission
Ruth Wong, Quality and Productivity Commission
Eleanor Montano, Sybil Brand Commission
Ressie Román, Board of Supervisors
Garen Khachian, Board of Supervisors
Peter Papadakis, Board of Supervisors
Jim Corbett, Board of Supervisors

Approval of Minutes

On motion of Genie Chough, seconded by Lori Glasgow, the Committee unanimously approved the July 20, 2006 minutes.

Old Business

Destruction of Confidential Records – Status: Martin Zimmerman, CAO, along with Jon Fullinwider, CIO, presented four policies (one revised policy and three newly proposed Board policies) concerning the overall safeguarding of County records. The CAO Board policy 3.040 was revised to provide a more comprehensive approach in handling of County records. In coordination with the CIO, the CAO assisted in developing proposed policies regarding County records contained in an electronic medium and the development of appropriate procedures and training; these tentative policies are: 6.109 Security Incident Reporting; 6.110 Protection of Information on Portable Computing Devices; and 6.111 Information Security Awareness Training. Mr. Fullinwider reviewed the CIO policies and explained their significance in improving the overall safety of County records/property.

Report on Interim Financial Management Services Provided to the Los Angeles Homeless Services Authority: Jim Schneiderman reported the Auditor has finished the single audit for 2005 and the report is scheduled to go before the LAHSA Board on August 25, 2006. County of Los Angeles has committed to the Line of Credit and LAHSA is currently working with the City of Los Angeles to reach an agreement for their share. Michael

Arnold, Project Manager, Blu Consulting, released his report outlining the possibility of lowering the liability with HUD. Although the exact dollar amount is unknown, it is believed the liability will be significantly reduced.

Sunset Review of Board Policy No. 4.080 – Deferred Maintenance Program Policy/Sunset Review: **On motion of Genie Chough, seconded by Lori Glasgow, the Committee unanimously approved extending the Sunset Review date to July 18, 2010.**

Status Report – Board-Requested Reviews of DHS Contract Physician Oversight, Physician Timekeeping Protocols and Investigation of Outside Employment (Board Agenda Item 61-A, July 19, 2005 and Item 85-A, August 30, 2005): **This item was continued to the October 19, 2006 meeting.**

Sunset Review for the Los Angeles County Real Estate Management Commission: **On motion of Genie Chough, seconded by Lori Glasgow, the Committee unanimously approved extending the Sunset Review date to December 31, 2010.**

Sunset Review of Board Policy No. 4.070 – Full Utilization of Grant Funds: **On motion of Genie Chough, seconded by Lori Glasgow, the Committee unanimously approved continuing this item to the September 21, 2006 meeting.**

Reports to be Received and Filed

Aviva Family and Children's Services – Investment Act Programs:

On motion of Louisa Ollague, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.

Group Home Program Monitoring Report – Turmont Group Home:

On motion of Louisa Ollague, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.

National Mental Health Association of Greater Los Angeles Contract Compliance Review:

On motion of Louisa Ollague, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.

Review of the Treasurer's Cash and Investment for the Quarter Ended September 30, 2005: **On motion of Louisa Ollague, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Tarzana Treatment Center Group Home, Incorporated: Tarzana Treatment Center: **After a brief discussion, the Committee**

unanimously approved receiving and filing this report and asked the Auditor-Controller to report back on this item regarding the implementation and effectiveness of the Agency's Corrective Action Plan (CAP) at the September 21, 2006 Audit Committee meeting.

Group Home Program Monitoring Report – Jean Lores Group Homes, Vernon Avenue and Purche Group Homes: **On motion of Louisa Ollague, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Optimist Youth Homes and Family Services, Main Campus Group Home: In response to Genie Chough, Candace Rhue, Auditor - Controller, advised the clothing allowance amount of \$50.00 per month is separate from the minimum weekly allowance for children which is no more than \$7.00 per week. Genie Chough asked the Auditor-Controller to email the information pertaining to children's weekly allowance amounts. **On motion of Genie Chough, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Rolling Hills Group Home: **On motion of Louisa Ollague, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Pacific Asian Consortium in Employment Contract – Workforce Investment Act Program: **On motion of Louisa Ollague, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

In-Depth Monitoring Review of Refugio Para Niños Foster Family Agency: **On motion of Louisa Ollague, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Regional Park and Open Space District Proposition A Grant Audits (Work Order 6-85B): **On motion of Louisa Ollague, seconded by Genie Chough, the Committee unanimously approved receiving and filing this report.**

Reports to be Received

Sunset Review for the Los Angeles County Commission on HIV: **On motion of Genie Chough, seconded by Lori Glasgow, the Committee unanimously approved extending the Sunset Review date to July 1, 2011.**

Sunset Review for the Los Angeles County Commission for Children and Families: **On motion of Genie Chough, seconded by Lori Glasgow, the Committee unanimously approved extending the Sunset Review date to January 1, 2011.**

Quality and Productivity Commissioner Compensation – Policy Change: Jeanne Kennedy, Chair, Quality and Productivity Commission (QPC), addressed the Committee regarding the need to expand the number of QPC meetings due to the Commission's increased involvement in projects throughout the County. The change would increase QPC meetings from four per month to eight per month. Genie Chough asked how many Commissioners currently attend the maximum amount of meetings. Ruth Wong, QPC, reported roughly 50% of the current Commissioners attend four or more meetings per month. **After a brief discussion, the Committee unanimously approved continuing this item to the September 21, 2006 meeting and requested the QPC to provide attendance rosters of all their meetings held.**

Being Alive Foundation Long Beach Housing – Residential Care Facilities for the Chronically Ill Services: Don Chadwick, Auditor-Controller, reported the audit revealed significant findings and insufficient internal controls regarding expenditures within the Agency. Also, the Agency has a \$500,000 tax liability with the Internal Revenue Service

and lacked proper documentation proving they are attempting to resolve or pay down the liability amount.

Public Comments

There were none.

Other Business

FFAs and Group Home Monitoring: Ms. Oms reported duplicated monitoring efforts are not occurring and will provide a matrix outlining a sample of the different tools used by the Auditor-Controller and DCFS in monitoring FFAs and Group homes. **The Committee unanimously approved continuing this item to the September 21, 2006 meeting.**

Social Service Contracts – Governance Policy: Tyler McCauley, Auditor-Controller, reported on the latest developments of introducing a policy for social service contracts countywide. Mr. McCauley advised the policy will provide increased oversight throughout the County's respective social service agencies and better prevent potential mismanagement. In response to Lori Glasgow and Louisa Ollague, Mr. McCauley informed the Committee that Auditor-Controller staff will develop a template policy and will report back to the Audit Committee for review. **The Committee unanimously approved continuing this item to the September 21, 2006 meeting.**

Proposed Fiscal Year 2006-07 Audit Plan: Louisa Ollague asked if an audit has been performed on the Los Angeles County Coroner's office. Mr. Schneiderman advised he would report back at the September 21, 2006 Audit Committee meeting. On motion of Genie Chough, seconded by Lori Glasgow, the Committee unanimously approved to request the Auditor-Controller review the Los Angeles County Coroner's office and CSS.

Matters not on the Posted Agenda (to be Presented and Placed on the Agenda of a Future Meeting)

Thomas Tyrell, County Counsel, and Wendy Watanabe, Auditor-Controller, addressed the Committee regarding the proposed implementation of an ordinance for the Los Angeles County Office of Protocol (LACOP) concerning the use of private donations used for public purposes. Since its inception, the LACOP has demonstrated prudence in fiscal responsibility and transparency of donated funds. The proposed draft ordinance outlines the specific nature of these funds and establishes clearer guidelines and policies for all County Departments involved with the LACOP.

Adjournment

There being no further business to conduct, the meeting was adjourned at 3:04 p.m.